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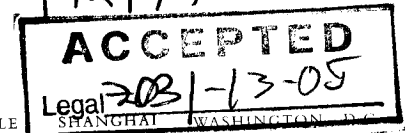
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January 11, 2005

VIA FEDERAL EXPRESS

Mr. Charles L.A. Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Saluda Building
Suite 100
Columbia, SC 29211

Re: Docket No. 2004-332-C

Dear Mr. Terreni:

On behalf of Respondent Utilities Commission, New Smyrna Beach, we are submitting its Answer in the above referenced proceeding.

We are also submitting an additional "stamp-return" copy of this Answer, with a postage-paid return envelope. Kindly return this stamped copy to me in this envelope. ✓ *g*

Please feel free to address any questions to the undersigned counsel.

Sincerely,

DAVIS WRIGHT TREMAINE LLP

James M. Smith
James M. Smith

Enclosures

**Before the
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

EPICUS, Inc.,

Complainant/Petitioner

v.

**UTILITIES COMMISSION, CITY
OF NEW SMYRNA BEACH, FLORIDA)
d/b/a SPARKS COMMUNICATIONS)**

Defendant/Respondent

Docket Number 2004-332-C

**ANSWER OF RESPONDENT UTILITIES COMMISSION,
CITY OF NEW SMYRNA BEACH d/b/a/ SPARKS COMMUNICATIONS**

Defendant/Respondent Utilities Commission, City of New Smyrna Beach (Florida) d/b/a Sparks communications ("UCNSB") by its attorney, hereby submits this Answer to the Complaint of Epicus, Inc. ("Epicus") dated November 16, 2004, including the addendum of Epicus dated December 8, 2004. As will be shown below, Epicus' Complaint is utterly devoid of merit. On the contrary, UCNSB has conducted itself appropriately and in keeping with the Commission's rules, even in the face of Epicus' material breaches of its Agreement with UCNSB and its multiple abuses and violations of federal and state laws and the rules of the Federal Communications Commission ("FCC") and this Commission.

I. Background

UCNSB is a part of the local government of the City of New Smyrna Beach, Florida, chartered in 1967 as a special service district by the State of Florida to manage, operate and

control the water, electrical and other utilities of the City of New Smyrna Beach. It consists of five Commissioners appointed by the City Commission, as well as a professional staff.

Several years ago, UCNSB began to explore the possibility of offering low-cost, competitive telecommunications services to the citizens of its local service area and other interested consumers and businesses, in the wake of the pro-competitive, market-opening opportunities made possible by the enactment of the federal Telecommunications Act of 1996. Pursuant to an ordinance of the City Commission of New Smyrna Beach, UCNSB was authorized to provide telecommunications services to the general public. It has provided telecommunications services in Volusia County, Florida for several years, and in other states since 2003. An early manifestation of UCNSB's initiative took the form of a cooperative "agency" relationship with Epicus, pursuant to a Marketing Agreement executed in August 2001, wherein UCNSB partnered with Epicus in offering local and long distance telephone services within and outside UCNSB's service area through telemarketing and mail solicitations. Subsequently, last year UCNSB established its own CLEC subsidiary, Sparks Communications, which provides high-quality, low-cost competitive local, long distance and Internet access services within Florida and other southeastern states. UCNSB currently holds CLEC certificates in South Carolina (Docket No. 2003-267-C- Order No. 2004-2, granted January 7, 2004), North Carolina, Georgia, Mississippi and Florida, and has applications for such authority pending in Tennessee and Alabama. It currently serves over 17,000 telephone and 5,000 Internet subscribers.

II. Response to Complaint

The Epicus Complaint accuses UCNSB of "Do Not Call and deceptive telemarketing customer acquisition practices." Nothing could be further from the truth. UCNSB's customer acquisition practices, via telemarketing or otherwise, have been scrupulously proper and in accordance with the rules of this Commission and the FCC, and it has committed no violations of

the “do-not-call” rules. Instead, Epicus is casting a perfectly proper and common practice of telephone companies – namely, soliciting consumers to switch service providers – in a sinister and false light. UCNSB has indeed solicited Epicus customers to persuade them to switch to UCNSB’s Sparks Communications service. It has done so lawfully and appropriately. In plain fact, Epicus is a perennially insolvent company that is indebted to UCNSB for over \$800,000; has materially breached its Marketing Agreement with UCNSB; has, by its own account, failed to pay required taxes and fees to the federal government and virtually every state, including South Carolina; has filed for Chapter 11 bankruptcy protection rather than fulfill its obligations and pay its taxes, commissions and debts; and now, following a “divorce” with UCNSB *entirely* of its own making and fault, is crying foul that UCNSB seeks to alleviate its losses and recoup customer revenues lost due to Epicus’ wrongdoing, by engaging in the wholly proper competitive activity of asking consumers to switch their telephone service provider.

In support of its Complaint, Epicus alleges a total of ten (10) instances wherein UCNSB purportedly solicited Epicus customers to switch their service provider from Epicus to Sparks. Epicus submitted “wav” file recordings of conversations between *Epicus* and six of these consumers, which purport to bolster its allegations; but in the other cases, no support is offered for its allegations. In any event, as shown below, none of these instances support Epicus’ claim that UCNSB has engaged in Do-Not-Call rule violations or deceptive customer acquisition practices in violation of the Commission’s or federal rules.

To diminish confusion and shed light on the actual facts underlying Epicus’ grievance, UCNSB submits the following:

1. As noted in paragraph 4 of the Epicus Complaint, in August 2001 Epicus and UCNSB entered into a Marketing Agreement, which is attached hereto as Exhibit 1. Under that Agreement, UCNSB agreed to market the underlying telecommunications services of Epicus in return for commission payments, “to the extent deemed reasonable in UCNSB’s sole judgment.”

Agreement, § II.A. As to UCNSB's preexisting utility customers in its New Smyrna Beach service area, UCNSB agreed to bill for these services itself, on the same bill as UCNSB's electric and water utility charges, and Epicus was to "direct bill customers outside UCNSB's service area, using UCNSB bills." *Id.*, §§ III.F, G. Importantly, and contrary to the claim in paragraph 6 of the Epicus Complaint that Epicus was the sole "owner of the business relationship with its customer's" (sic), the Marketing Agreement explicitly provides that Epicus "agrees to hold the customer information acquired in the course of providing the services and support confidential *as the property of UCNSB.*" *Id.*, § III.N. Finally, the Agreement provided that grounds for termination included "insolvency [or] bankruptcy...of either party" (effective immediately), or either party's "breach of any material provisions of this Agreement," *id.* at §§ IV.C (1),(3)--which obviously would include Epicus' non-payment of the commissions due UCNSB for its marketing efforts, the sole consideration for UCNSB's performance of its part of the Agreement. *See id.*, §§ III. I, J.

2. Early in 2004, even though UCNSB faithfully continued its marketing efforts for Epicus, Epicus ceased making any commission payments to UCNSB. Even so, UCNSB continued to market on Epicus' behalf until September of 2004, by which time Epicus' delinquency in its commission payments to UCNSB totaled approximately \$400,000.¹ Moreover, in September 2002 and again in June 2003, Epicus, citing a need to "increase [its] deposits to BellSouth," requested "deposit account" payments of \$200,000 to Epicus (\$400,000 in total), and UCNSB faithfully remitted these payments. *See* Epicus letter requests, attached hereto at Exhibit 2. Although Epicus agreed to pay back each of these "deposits" in monthly

¹ As mentioned above, in 2003 UCNSB also established its own CLEC, Sparks Communications, to better serve its local service area utility customers and consumers and businesses elsewhere in Florida and the southeast. Nevertheless, UCNSB continued to faithfully honor its Marketing Agreement with Epicus (the initial term of which expired in August 2003 but which automatically renewed), and continued its telemarketing to gather customers for Epicus under the Agreement until September of this past year.

installments, *see id.*, only \$40,000 out of this additional \$400,000 owed was ever repaid². Consequently, by September 2004, Epicus had reneged on payments owed to UCNSB of approximately \$800,000, exclusive of interest.

3. In early October 2004, UCNSB sought a meeting with Epicus to discuss possible terms of repayment. That meeting was held between the parties on October 13, and included the Chairman/CEO of Epicus and the General Manager of UCNSB and the undersigned counsel. Epicus was noncommittal; and, rather than repay any of the \$800,000 owing to UCNSB, Epicus filed for chapter 11 bankruptcy protection twelve days later, on October 25³.

4. In light of these intolerable breaches and bad faith by Epicus toward UCNSB – a governmental unit with a fiduciary responsibility to its local citizens – and in the wake of an Epicus bankruptcy filing which assures that UCNSB (as an unsecured creditor) is unlikely to recover more than a fraction of the monies owed by Epicus, UCNSB has sought to at least regain some of the customers that UCNSB had successfully solicited on Epicus' behalf under the Marketing Agreement. Accordingly, commencing in early November, UCNSB has begun to contact by telephone and/or mail some of these UCNSB/Epicus customers. UCNSB has contacted *only* customers that it (UCNSB) had successfully gathered under the Marketing Agreement, and has been scrupulously truthful and accurate in characterizing Epicus' financial condition in all of these communications. Attached as Exhibits 4 through 7 hereto are all of the telemarketing scripts and letters that UCNSB has employed to solicit Epicus customers to date.

As the Commission will note, in every one of these communications, UCNSB:

- (1) accurately states that Epicus has recently filed for chapter 11 bankruptcy protection;
- (2) accurately states that UCNSB, which had originally solicited the consumer, has ended its

² To the best of UCNSB's knowledge, no such "deposits" or "deposit accounts" with BellSouth ever existed.

³ *See* Epicus Inc. bankruptcy petition, attached hereto as Exhibit 3.

cooperative relationship with Epicus; (3) straightforwardly solicits the consumer's interest in switching his or her telephone service to Sparks; and (4) explicitly identifies Sparks as a direct subsidiary of UCNSB⁴. These communications do *not* say that Epicus had been "taken over" or been "bought out" by Sparks, or that the consumer's telephone service would be interrupted, or anything of the kind. On the contrary, UCNSB has scrupulously honored the chapter 11 bankruptcy process, and in fact instructs its telemarketers in its telemarketing "FAQs:" "FOR QUESTIONS ABOUT EPICUS BANKRUPTCY: 'Epicus is continuing to operate in bankruptcy. We have no information regarding their future plans, but we are inviting you to switch to Sparks. . . .'" See Exhibit 6.⁵

In short, contrary to the scurrilous characterizations in Epicus' Complaint, what UCNSB is doing-- simply and straightforwardly -- is informing consumers of Epicus' bankruptcy filing and soliciting their interest in switching their service to UCNSB's service, Sparks. There is nothing improper in this; indeed, by recent example, when MCI WorldCom filed for bankruptcy, AT&T and scores of other companies solicited hundreds of thousands of MCI customers to switch to their services in light of MCI WorldCom's financial condition. Moreover, UCNSB's conduct is not only proper, it is also fundamentally just, inasmuch as every one of these customers had been successfully solicited by UCNSB on Epicus' behalf, and Epicus has

⁴ The message varies slightly according to the two classes of consumers being contacted: (1) current utility customers in the UCNSB service area who until recently have received both their UCNSB utility and Epicus-supplied telephone charges on a single UCNSB bill, but who can no longer receive such a single bill because Epicus has ceased to supply UCNSB with the necessary billing files; and (2) consumers whom UCNSB had gathered on Epicus' behalf outside UCNSB's jurisdiction, including in South Carolina, who have been billed by Epicus.

⁵ When Epicus became aware of and objected to these solicitations in early November, the undersigned counsel and Epicus' bankruptcy counsel conferred to clarify this matter. Epicus' counsel agreed and acknowledged that UCNSB could state the fact that Epicus had filed for chapter 11 bankruptcy protection, so long as UCNSB did not state the Epicus was going out of business or that customers would be disconnected. Epicus counsel further advised that Epicus had no intention of assuming and performing the Marketing Agreement in bankruptcy, and instead had decided to reject the Agreement.

flagrantly reneged on its reciprocal duties to UCNSB under the Marketing Agreement.

With all of the foregoing as necessary background and context, we turn to the specific charges in Epicus' Complaint: namely, that UCNSB has violated the "do-not-call" rules or engaged in "deceptive" practices with respect to ten (10) specific, named consumers. As shown below, the three claims of "do-not-call" violations are simply wrong; five other instances allege no improper conduct of any kind; one baldly alleges an incorrect statement with no supporting evidence; and only two allege any incorrect or deceptive statement, with dubious support.⁶

1. Joann Hoggard
2. Ruth Rinaldi
3. Trudy Miles: Regarding these three alleged violations of the "do-not-call" rules, Epicus claims that these consumers are "confirmed on the Do Not Call List." Assuming *arguendo* that this statement is true, the Epicus regulatory manager who filed the complaint evidently is unfamiliar with the do-not-call rules—which is worrisome, in that Epicus does most of its marketing by telephone. The do-not-call rules do not prohibit *all* telemarketing. UCNSB has called *only* consumers whom UCNSB had successfully solicited during the prior eighteen months. Exhibit 8 hereto consists of printouts showing that UCNSB had solicited each of these three consumers in July or October 2003. Under the national "do-not-call" rules, a company *may* properly telemarket to consumers with whom it has had a business contact within the prior eighteen months, pursuant to an explicit "existing business relationship" exception.⁷ [See also discussion of Ms. Hoggard in # 9 below].
4. Darwin Cannon: Epicus asserts that Mr. Cannon "received a call from Sparks Communications. The telemarketer told Mr. Cannon that Epicus had filed for bankruptcy and Sparks was calling everyone that had phone service with Epicus to notify them so that they could select another phone service provider," and presents a recording in which Mr. Cannon plays this recorded voicemail message. UCNSB does not object to this characterization, and stands by the recorded voicemail message. It is accurate: indeed, it is the UCNSB voicemail script appended hereto at Exhibit 5, and it accurately and truthfully represents UCNSB's solicitation. There is nothing deceptive about it. Indeed, its accuracy *disproves* Epicus' claim of "deceptive"

⁶ Epicus submitted six recordings in support of its allegations. However, all six are of conversations wherein *Epicus* is eliciting the consumers' recollections of prior telemarketing calls. Obviously, second-hand characterizations of prior conversations may be inexact and/or unreliable, especially where, as here, the consumer is being prodded and possibly "coached" by a party—Epicus—that wants the consumer to adopt a certain characterization of events.

⁷ See 47 C.F.R. §§ 64.1200 (a)(2)(iv), (f)(3) ("*established business relationship* means a prior or existing relationship formed by a voluntary two-way communication between a person or entity and a residential subscriber. . . within the eighteen (18) months immediately preceding the date of the telephone call. . . .")

marketing.⁸

5. Joy Morgan
6. Mary Ham
7. Jamie Cady
8. Tamara Pinkney: Similarly, Ms. Morgan plays the recorded voicemail message; Ms. Cady describes it; and Ms. Pinkney describes the telemarketer's call. (No recording is submitted in the case of Ms. Ham). Again, UCNSB does not object to any of Epicus' statements regarding these customers—that a Sparks telemarketer solicited them, mentioned Epicus' bankruptcy, and solicited their business-- because all of the statements alleged are accurate and proper: Epicus *has* filed for bankruptcy, and Sparks *is* offering an alternative phone service.
9. Joann Hoggard (also the subject of # 1 above)
10. Michelle Bradbury: These are the only recordings submitted by Epicus which allege any untrue statements-- Ms. Hoggard recounts that the telemarketer said that "her phone would be cut off," and Ms. Bradbury recollects the caller saying that Sparks had "taken over" and "bought out" Epicus. We agree that these alleged statements, if made, would be inaccurate and disturbing. Given that other elements of these consumers' recollections are accurate (e.g., Ms. Hoggard's recollection of the caller's mention that Epicus had declared bankruptcy and that Sparks was offering an alternative service; Ms. Bradbury's recollections regarding the caller asking for verification of address and some identifying "password"), UCNSB can only surmise that these consumers mistakenly inferred additional and unwarranted conclusions from the factual statements that Epicus had filed for bankruptcy and that UCNSB/Sparks was offering an alternative service.⁹
11. Wayman Hunt: Although the Epicus complaint alleges that Mr. Hunt spoke of a deceptive statement, no recording or other evidence of any such statement is included.

The remainder of Epicus' Complaint, and its December 8 "addendum," consist of purported BellSouth "PMAP" Loss Notification reports that purport to indicate South Carolina

⁸ The only deceptive statement contained in this recording is the *Epicus* employee's false statement that Sparks was "a subsidiary of Epicus."

⁹ As noted above, the accuracy of these accounts may be compromised by time, misinterpretation, and/or the fact that they were elicited by Epicus personnel. *See supra* note 6. The Bradbury recording is particularly disjointed, in that some of her recollections are incongruous yet *somewhat* resemble standard telephone solicitation practices. For example, if she had expressed interest in switching her service, it *then* would be common practice to confirm address information; and the lengthy discussion concerning a "password" somewhat resembles an FCC-prescribed practice of obtaining "appropriate verification data (e.g., the subscriber's date of birth or social security number)." *See* 47 C.F.R. § 64.1120 (c) (3).

consumers who have switched their service from Epicus to Sparks,¹⁰ accompanied by the suggestion that the Commission investigate further. Based on the foregoing, including Epicus' own "evidence," there seems to be nothing to investigate in such a fishing expedition: UCNSB stipulates that it is soliciting Epicus customers, and any customers who in fact have switched are simply the results of UCNSB's permissible competitive behavior. At bottom, Epicus is perturbed that UCNSB is soliciting its customers and wants the Commission to step in to halt this proper competitive business practice. The proof in the pudding is in the Epicus-supplied recordings that actually replay UCNSB voicemail solicitations, for these show that UCNSB is not using deceptive practices in these solicitations.¹¹

Conclusion

In sum, the foregoing "evidence" shows, at most, that two people in South Carolina were confused by UCNSB telemarketing calls, and that others were concerned—not surprisingly—about their telephone provider's bankruptcy. As demonstrated herein, UCNSB has engaged in no deceptive practices or violations of "do-not-call" rules; rather, it is simply engaging in proper and permissible competitive conduct to attempt to regain customers and customer revenues that have been denied it due to Epicus' egregious conduct, breaches and bad faith. It is Epicus that has victimized not only UCNSB but also the federal government and at least 47 states, including South Carolina, to the tune of a total of over \$6.5 million in non-payments of taxes, USF

¹⁰ The pedigree of these reports is questionable, in that the first column in two of the spreadsheets, and the second column in the "addendum" spreadsheet, contain a code ("NSB00") that was peculiar to the former Epicus-UCNSB agency relationship and would not be known to BellSouth.

¹¹ In the last paragraph of its Complaint, Epicus states that it has filed similar complaints ("Notices") with the Florida, Georgia and North Carolina Commissions, the FCC and the FTC. UCNSB is aware of and has responded thus far to Epicus' Florida and North Carolina variations of this Complaint. They are essentially carbon-copies of the instant Complaint, and reveal the same lack of merit—and ignorance of the "do-not-call" rules—as this one. Further, unmentioned but attached to Epicus' Complaint is a letter to the Consumer Advisory Division of the South Carolina Department of Consumer Affairs, raising the same false do-not-call claims as those rebutted in this Answer. UCNSB will apprise the Division by letter of the falsity of those claims.

assessments and other fees,¹² and it is Epicus, not UCNSB, that has engaged in violations of other federal and state laws and regulations.¹³

WHEREFORE, UCNSB respectfully submits that the Complaint of Epicus, Inc. should be denied.

Respectfully submitted,

UTILITIES COMMISSION, NEW
SMYRNA BEACH

By 

James M. Smith
Davis Wright Tremaine LLP
1500 K Street, N.W.
Suite 450
Washington, D.C. 20005
Its Attorney

January 11, 2005

¹² Epicus' own schedules filed in its bankruptcy proceeding reveal that the IRS is seeking \$3.5 million in unpaid federal excise and other taxes from Epicus; that the FCC has instituted actions against it for over \$1 million in unpaid universal service (USF) and telecommunications relay service (TRS) fund assessments; and that at least 47 states, including South Carolina (for \$189,000), have made claims against Epicus for unpaid "excise-sales taxes" in varying amounts. The largest of these state claims is that of Florida, which claims that Epicus owes it at least \$1.2 million in such taxes. *See* Schedule E to bankruptcy petition of Epicus, Inc., filed Nov. 19, 2004, attached hereto as Exhibit 9. Further revealing information is contained in the latest SEC Form 10-K filed by Epicus' parent, Epicus Communications Group, Inc. on October 5, 2004.

¹³ UCNSB has learned that customers seeking to switch their service from Epicus to UCNSB/Sparks are routinely being thwarted by Epicus' imposition of "PIC freezes" on their telephone lines, which evidently were unilaterally imposed by Epicus without the knowledge or consent of the customers, in clear violation of FCC regulations. Attached as Exhibit 10 hereto are three customer affidavits documenting this unlawful practice, as well as the FCC's rule relating to "PIC freezes" (47 C.F.R. § 64.1190). UCNSB is contemplating the possibility of filing complaints before the FCC and/or this Commission regarding Epicus' unlawful practice.

Exhibit 1

Marketing Agreement

MARKETING AGREEMENT

THIS MARKETING AGREEMENT (the "Agreement") is made and entered into as of this 14 day of August 2001, by and between EPICUS, Inc. (hereinafter referred to as "EPICUS"), the Utilities Commission, City of New Smyrna Beach, Florida (hereinafter referred to as "UCNSB"), and the City of New Smyrna Beach, Florida (hereinafter referred to as "CITY"):

WITNESSETH

WHEREAS, EPICUS is engaged in providing telecommunications services and is properly registered with the Florida Public Service Commission as an Alternative Local Exchange and Long Distance Carrier:

WHEREAS, EPICUS desires to expand its revenue base through the Agreement:

WHEREAS, UCNSB and the CITY desire to Market EPICUS's services in a manner advantageous to, and consistent with, EPICUS's standing and reputation in the business community:

WHEREAS, EPICUS desires UCNSB and the CITY to market EPICUS's Services as hereinafter defined under the terms and conditions hereinafter set forth, and UCNSB and the City has agreed to do so:

NOW THEREFORE, EPICUS, UCNSB and the CITY, for the mutual benefits and under the conditions described below, do agree as follows:

I. DEFINITIONS:

- A. Qualified Sales means sales submitted by UCNSB, which result in the installation and billing of Services of EPICUS. All paperwork, contracts or other agreements to be in a form established by EPICUS in consultation with UCNSB from time to time. UCNSB will deliver "Letters of Agreement", signed by potential customers to EPICUS or direct potential customers to the toll free number setup for UCNSB-branded customer sign-up. Sales resulting from either of these methods will be considered Qualified Sales for the purposes of calculating UCNSB's commission payments.

Initials: UD RV

II. UCNSB AGREES TO:

- A. Use its resources in a manner, and to the extent deemed reasonable in UCNSB's sole judgment, to identify, cultivate market and generate qualified sales.
- B. Promote EPICUS and its Services with professionalism and skill to help maintain EPICUS's standing and reputation in the business community. Use and become familiar with material provided by EPICUS to maintain knowledge of EPICUS's Services as referred to in Schedule A and to provide basic information to customers.
- C. Work with EPICUS to help EPICUS ensure a high level of customer satisfaction.
- D. Market for EPICUS only the Services and at the rates approved as referred to in Schedule A or as modified in writing by EPICUS.
- E. No commission will be paid on uncollected revenue.
- F. Currently in effect for telecommunications services, there is a 1% Franchise Fee and 7% tax. UCNSB will pay the differential between 1% and 6% to the CITY for customers inside the CITY. For customers outside the CITY, UCNSB will pay the CITY 6% of revenues collected from Epicus as per Section III G.
- G. Upon Senate Bill 1878 becoming law, and on the effective date associated therewith, UCNSB will pay the differential between the franchise fee and 6% to the CITY for customers inside the CITY. For customers outside the CITY, UCNSB will pay the CITY 6% of revenues collected from Epicus, as per Section III G.

III. EPICUS AGREES TO:

- A. Work with UCNSB to ensure at all times a high level of customer satisfaction.
- B. Provide adequate training and information to UCNSB's personnel to enable the personnel to promote the EPICUS's service as provided in Article II B.
- C. Provide complete rate schedules applicable to UCNSB customers.
- D. UCNSB. EPICUS may update the list of services and applicable rates from time to time on 60 days notice to UCNSB. EPICUS warrants and represents to UCNSB that it has all regulatory approvals, permits, and licenses to carry out its obligations and to provide the services set forth in this Agreement.

Initials: uc RV

- E. Maintain Customer call records sufficient to calculate and substantiate UCNSB commissions and/or billing information.
- F. Direct bill customers outside UCNSB's service area, using UCNSB bills.
- G. Customers outside UCNSB's service area billed by EPICUS will be billed in advance for local service. Customers billed by UCNSB will be billed in arrears and collection procedures will follow the same schedule as for other utility services. If UCNSB elects to bill customers outside its service area, it will collect a two-month advance deposit or require payment through automatic fund transfer (AFT). Epicus agrees to pay UCNSB revenues of 16% of sales for customers billed by Epicus.
- H. Maintain the rates indicated in Schedule A, a long distance product, and schedule B, local exchange product, unless a rate change is agreed to in writing by both UCNSB and EPICUS and filed with the Florida Public Service Commission by EPICUS.
- I. Compensate UCNSB according to Schedule A and B for Qualified Sales to new customers, following receipt of funds from the applicable customer. For purposes of computing commission payments, receipts shall be net of discounts, charge backs, pass-through charges, non-recurring charges, taxes and regulatory fees and assessments. Payments shall be made within thirty (30) days following receipt of the funds from the customer.
- J. Provide UCNSB with a monthly accounting sufficient to verify the computation of the payment due UCNSB. All such payments will be final and binding on UCNSB unless written objection is delivered to the EPICUS within sixty (60) days following receipt of such payment by UCNSB.
- K. Provide a toll free number and a Daytona exchange number exclusively for UCNSB's use that can be provided to potential customers. The answering of calls to the number will be UCNSB branded both by any automated system that may initially take the call and by the customer service representative that will service the caller. Potential customers calling this number will be directed to a customer service representative able to provide details on the services offered and to sign the potential customer up. All qualified sales from customers ultimately signing-up for service, that called this phone number at any point will result in commissions being paid to UCNSB. UCNSB will own the toll-free phone number.
- L. Reimburse customers for the cost of switching long distance services.

- M. Provide a toll free number exclusively for UCNSB's use that can be provided to customers to obtain customer service. The answering of calls to this number will be UCNSB branded both by any automated system that may initially take the call and by the customer service representative that will service the caller. UCNSB will own the toll-free phone number.
- N. Agree to hold the customer information acquired in the course of providing the services and support confidential as the property of UCNSB. This information shall not be shared or sold to any other entity except as necessary in the course of providing the services outlined in this agreement.
- O. Agrees not to market directly to the customers mentioned in this agreement. UCNSB must do all marketing efforts. EPICUS may assist in the marketing only if requested by UCNSB.
- P. Provide UCNSB with detailed information on all regulatory requirements that EPICUS expects UCNSB to comply with. EPICUS shall also keep UCNSB informed on a timely basis of all regulatory requirements applicable to UCNSB. EPICUS assumes all responsibility for posting current tariff and rate schedules with regulatory agencies, paying taxes, franchise and other fees as required by law for both monies collected directly by EPICUS on behalf of UCNSB and monies collected by UCNSB on behalf of EPICUS.
- Q. Track customer usage and charges, generate and deliver statements to customers, receive and process remittance.
- R. Compensate UCNSB on an ongoing basis at a rate of 3% of gross receipts from any company or entity that UCNSB is instrumental in bringing to EPICUS as an agent. This compensation would only be payable in instances when EPICUS specifically requests, in writing, that UCNSB share it's positive experiences with a potential new agent and the potential new agent ultimately brings customers and revenues to EPICUS. UCNSB will pay 6% to the CITY upon receipt of the above mentioned compensation.

IV. TERM AND DURATION OF AGREEMENT:

- A. The term of this Agreement shall be for Two (2) years commencing on the date first written above, and shall renew automatically for successive Two (2) year terms unless either party provides written notice to the other to terminate, no less than 90 days prior to the applicable anniversary

Initials:

- B. If EPICUS elects to terminate this Agreement at the end of the first period or at the end of any renewal term under Section IV.A and UCNSB is not able to contract with another acceptable provider of the services provided by EPICUS within 90 day period, EPICUS shall continue to provide the identified services to the customers provided by UCNSB for up to another 180 days to enable UCNSB to contract with another provider. UCNSB shall employ its best efforts to find a new provider of said services upon receipt of notice of termination from EPICUS.
- C. In addition, each party may terminate this Agreement effective immediately in the event the other party is involved in any of the following occurrences:
1. Insolvency, bankruptcy, receivership or dissolution of either party:
 2. Actual or attempted assignment of this Agreement or any duties under this Agreement to another party without the prior written consent of the other party.
 3. Any party's breach of any material provision of this Agreement, provided, however, that the non-breaching party shall provide the defaulting party with written notice of an alleged breach, and the defaulting party shall have thirty (30) days to cure any alleged breach, failing which the non-breaching party may then terminate this Agreement.
 4. Repeated material misrepresentations of information to a Customer or Customers, provided, however, that non-misinforming party shall provide the defaulting party with written notice of any alleged material misrepresentation, and thirty (30) days shall be given to correct any misrepresentation and to take steps to prevent future occurrences, failing which, this Agreement may be terminated.
- D. Subject to Section III above, upon termination residual commissions would continue to be paid for active customers obtained by UCNSB while the contract was in force. In the event that UCNSB is billing customers acquired under this agreement, all revenue payable to EPICUS must continue to be paid per Schedule A.

V. AUTHORITY TO ENTER INTO THIS AGREEMENT

Each party hereto warrants and represents that it has full authority to enter into this Agreement and to consummate the transactions contemplated hereby; and that this Agreement is not to conflict with any other Agreement, contract, or tariff to which such party is a party to or by which it may be bound.

VI. ASSIGNABILITY:

No Party shall assign this Agreement without the prior written consent of the others.

VII. EXPENSES:

All expenses incurred by UCNSB in connection with UCNSB's efforts to obtain orders for EPICUS's Services will be the responsibility of UCNSB.

VIII. INDEMNIFICATION, ETC.:

- A. UCNSB understands that the services to be provided herein are subject to the rules and regulations of the Federal Communications Commission (FCC) and the Florida Public Service Commission (PSC), and UCNSB agrees to abide by laws, rules, regulations, administrative decisions, and pronouncements of the FCC and the PSC, provided, however, that EPICUS shall be responsible for informing UCNSB as to the applicability of such matters. EPICUS assumes full responsibility for paying applicable taxes, franchise fees, and regulatory fees to the appropriate government agencies and will hold UCNSB harmless from and against any and all claims arising out of the failure to pay any or all of the above.
- B. Except as defined in VIII A. and B. above, EPICUS will not be liable to UCNSB for anything other than the compensation outlined in Schedule A with respect to this Agreement. EPICUS will not be liable for consequential, incidental, special or indirect loss or damage of any kind.

- C. UCNSB shall be solely and singularly responsible for payment of any commissions owed to UCNSB's employees, agents or representatives. Nothing whatsoever contained herein shall be construed to represent an obligation on the part of EPICUS to pay commissions to any of UCNSB's employees, agents or representatives.

IX. INDEPENDENT CONTRACTOR:

- A. Neither UCNSB, the CITY, nor EPICUS shall have the authority to bind the other by contract or otherwise, or make representations as to the policies and procedures of the other. UCNSB's representatives shall not be deemed to be EPICUS's representatives and UCNSB assumes all responsibility for the supervision, control, acts and omissions of its representatives. Consequently, neither UCNSB or the CITY nor anyone employed by UCNSB or the CITY shall be considered an agent of EPICUS for the purpose of Unemployment or Workman's Compensation coverage, the same being hereby expressly waived and excluded by the parties hereto. There shall be no termination or severance obligations of EPICUS to UCNSB or the CITY hereunder.
- B. EPICUS's representatives shall not be deemed to be UCNSB's or CITY representatives and EPICUS assumes all responsibility for the supervision, control, acts and omissions of its representatives, Consequently, neither EPICUS nor anyone employed by EPICUS shall be considered an agent of UCNSB or the CITY for the purpose of Unemployment or Workman's Compensation coverage, the same being hereby expressly waived and excluded by the parties hereto. There shall be no termination or severance obligations of UCNSB or the CITY to EPICUS hereunder.

X. CONSTRUCTION AND INTERPRETATION:

- A. This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Florida without prejudice to the party or parties deemed to have drafted it.
- B. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those to which it is held

Initials: CP RJ

invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition shall be valid and be enforced to the fullest extent permitted by law.

- C. This Agreement represents the entire Agreement and understanding between the parties and hereto with respect to the subject matter of this Agreement and supersedes any other Agreements or understandings, written or verbal, that the parties hereto may have had.

XI. GENERAL:

- A. Every notice, demand, consent, approval or other communication which any party is required or desires to give or make upon or to the other party shall be in writing and shall be sent by fax or by mailing same by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to EPICUS:

TO: EPICUS Inc.
3599 Lake Mary Blvd, # 108
Lake Mary, FL 32746

If to UCNSB:

TO: Utilities Commission, City of New Smyrna Beach
Genny Turano
200 Canal Street
New Smyrna Beach, FL 32168

If to CITY:

TO: City of New Smyrna Beach
210 Sams Avenue
New Smyrna Beach, FL 32168

Said notices may be to such other address or addresses as the parties may from time to time designate by notice hereunder.

- B. Every notice, demand request or other communication sent in the manner aforesaid shall be deemed to have been given, made or received, as the case may be, and shall be effective on the business day of a confirmed fax or the third business day after the same has been deposited, registered or certified, properly addressed as aforesaid and with postage prepaid.

Initials: MB RV


IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed, and delivered in a form and manner proper and sufficient at law, all as of the date and the year first above written.

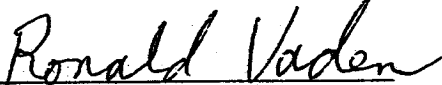
EPICUS:

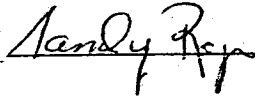
UCNSB:

EPICUS INC.

UTILITIES COMMISSION, CITY
OF NEW SMYRNA BEACH,
FLORIDA

By: 
Name: Marvin Himel
Title: CEO
Phone: 407-328-5002

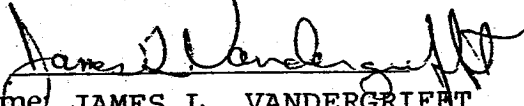
By: 
Name: Ronald Vaden
Title: General Manager/CEO
Phone: 386-423-7100

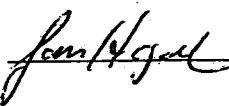
Attest: 

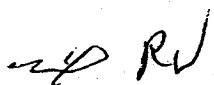
Attest: 

CITY:

CITY OF NEW SMYRNA
BEACH, FLORIDA

By: 
Name: JAMES L. VANDERGRIFF
Title: MAYOR
Phone: 386-424-2112

Attest: 

Initials: 

SCHEDULE A

Florida

Products offered for Sale:

Product	Rate/Minute	Commission
Interstate Switched LD	\$.059	16%
Interstate (8XX) Inbound	\$.059	16%
Intrastate (8XX) Inbound	\$.069	16%
Intrastate (NC) Switched	\$.069	16%
Calling Card (Travel)	\$.099	16%

SCHEDULE B

Local Exchange Tariff
(to be provided by EPICUS)

Alternative Local Exchange Tariff filed with FPSC under
Company Code TX023

Initials: WD KV

EPICUS Residential Initial Order
Local Feature Packages
 BellSouth Region

4/16/01

The 15% discount applies to all features except Voice-mail, Inside Wiring and directory listings.

Package A:	<u>Bell South Retail</u>	<u>EPICUS</u>
Local Line	\$9.00 - \$15.00 (zone based)	\$7.65 (\$9.00 zone)
Call Waiting	\$7.00	\$5.95
Three-way calling	\$5.50	\$4.66
Caller ID	\$11.00	\$9.35
Call Return	\$6.50	\$5.53
Total:	\$39.00	\$33.14

Package B:	<u>BellSouth Retail</u>	<u>EPICUS</u>
Local Line	(\$9.00-\$15.00 zone based)	\$7.65 (\$9.00 zone)
Voice-mail^	\$4.95	\$4.95
^Non-discounted & non-commissioned		
Call Forward Don't Answer*	\$4.75	\$4.04
Call Forward Busy*	\$4.75	\$4.04
Message Waiting*	\$0.75	\$0.64
*Must have for voice mail		
Call Waiting	\$7.00	\$5.95
Caller ID	\$11.00	\$9.35
Three Way Calling	\$5.50	\$4.68
Call Return	\$6.50	\$5.53
Total:	\$54.20	\$46.83

Package C:	<u>Bell South Retail</u>	<u>EPICUS</u>
Local Line	\$9.00 - \$15.00 (zone based)	\$7.65 (\$9.00 zone)
Call Waiting	\$7.00	\$5.95
Three-way calling	\$5.50	\$4.66
Caller ID	\$11.00	\$9.35
Call Forward	\$5.00	\$4.25
Total:	\$39.00	\$31.86

Optional features available after initial order for an additional charge. Must call customer service to activate.

Exhibit 2

Epicus Request for “Deposits” Totaling \$400,000

EPICUS

Mr. Ron Vaden,
UCNSB
New Smyrna,
FL 32170-0100

Dear Mr. Vaden,

Due to the high increase in customers and billings experienced by the Utilities Commission, I would like to inform you that there is a need to require a deposit account in the amount of \$200,000.

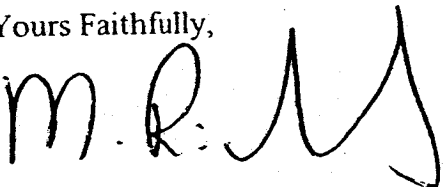
I do realize that this does represent an investment loss to you, therefore I am prepared to offer a discount to UCNSB as compensation.

This deposit will allow the Utilities Commission to receive an increased commission of 18% from gross phone sales commencing October 1, 2002, to compensate for the loss of investment income.

This deposit will be returned to the Utilities Commission in ten equal payments of \$20,000 commencing on October 1, 2003 or immediately if the Utilities Commission ceases to do business with EPICUS.

I would like to take this opportunity to thank you and your team at UCNSB for the continued relationship between our two companies, and I appreciate your remittance at your earliest convenience.

Yours Faithfully,



Mark Richards

Chief Information Officer

09/10/2002

10/03	\$20,000.00	10/31/03
11/03	\$20,000.00	12/15/03
12/03		
1/04		
2/04		
3/04		
4/04		
5/04		
6/04		
7/04		

Balance \$160,000



Mark Richards
Chief Information Officer
Direct 407-942-1250
mrichards@epicus.com

Mr. R. Vaden,
Utilities Commission, City of New Smyrna Beach
P.O. Box 100,
New Smyrna, FL 32170-0100

6/26/2003

Mr. R. Vaden,

The Epicus relationship continues to thrive and we very much appreciate your business.

We do however have to increase our deposits to Bellsouth, our primary provider of UNEP circuits as a result of the tremendous increase of Customers provided by New Smyrna.

I therefore am requesting that you please increase your deposit to Epicus by \$200,000 so that we may stay current with Bellsouth for services that they invoice Epicus in advance for.

We very much appreciate our relationship however the increase of business does need to be covered by reasonable deposits. Our own deposit to Bellsouth increases on a monthly basis.

Epicus will refund the deposit at a rate of \$50,000 a month, commencing November 30th 2003.

Yours Faithfully,

Mark Richards

11/30/03	_____	_____
12/31/03	_____	_____
1/31/04	_____	_____
2/29/04	_____	_____

Exhibit 3

**Epicus, Inc. Bankruptcy Petition,
Filed Oct. 25, 2004**

FORM B1

**United States Bankruptcy Court
SOUTHERN DISTRICT OF FLORIDA**

Voluntary Petition

 Name of Debtor (if individual, enter Last, First, Middle):
 Epicus, Inc.

Name of Joint Debtor (Spouse) (Last, First, Middle):

 All Other Names used by the Debtor in the last 6 years
 (include married, maiden, and trade names):
 None

 All Other Names used by the Joint Debtor in the last 6 years
 (include married, maiden, and trade names):

 Last four digits of Soc.Sec.No./Complete EIN or other Tax ID No.
 (if more than one, state all):; EIN: 59-3353696

 Last four digits of Soc.Sec.No./Complete EIN or other Tax ID No.
 (if more than one, state all):

 Street Address of Debtor (No. & Street, City, State & Zip Code):
 610 Crescent Executive Court #300
 Lake Mary, FL 32746

Street Address of Joint Debtor (No. & Street, City, State & Zip Code):

 County of Residence or of the
 Principal Place of Business: Palm Beach

 County of Residence or of the
 Principal Place of Business:

Mailing Address of Debtor (if different from street address):

Mailing Address of Joint Debtor (if different from street address):

 Location of Principal Assets of Business Debtor
 (if different from street address above):

 610 Crescent Executive Court
 Suite 300
 Lake Mary, FL 33409

Information Regarding the Debtor (Check the Applicable Boxes)

Venue (Check any applicable box)

- ☐ Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.
- ☒ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Type of Debtor (Check all boxes that apply)

- ☐ Individual(s) ☐ Railroad
- ☒ Corporation ☐ Stockbroker
- ☐ Partnership ☐ Commodity Broker
- ☐ Other ☐ Clearing Bank

**Chapter or Section of Bankruptcy Code Under Which
the Petition is Filed (Check one box)**

- ☐ Chapter 7 ☒ Chapter 11 ☐ Chapter 13
- ☐ Chapter 9 ☐ Chapter 12
- ☐

Nature of Debts (Check one box)

- ☐ Consumer/Non-Business ☒ Business

Filing Fee (Check one box)

- ☒ Full Filing Fee attached
- ☐ Filing Fee to be paid in installments (Applicable to individuals only)
 Must attach signed application for the court's consideration
 certifying that the debtor is unable to pay fee except in installments.
 Rule 1006(b). See Official Form No. 3.

- Chapter 11 Small Business (Check all boxes that apply)**
- ☐ Debtor is a small business as defined in 11 U.S.C. § 101
- ☐ Debtor is and elects to be considered a small business under
 11 U.S.C. § 1121(e) (Optional)

Statistical/Administrative Information (Estimates only)

- ☒ Debtor estimates that funds will be available for distribution to unsecured creditors.
- ☐ Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

Estimated Number of Creditors	1-15	16-49	50-99	100-199	200-999	1000-over
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Estimated Assets	\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Estimated Debts	\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	More than \$100 million
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

THIS SPACE IS FOR COURT USE ONLY

 OCT 25 04
 U.S. BANKRUPTCY COURT
 SOUTHERN DISTRICT OF FLORIDA
 LAKE MARY, FL

ial Form 1) (12/03)

untary Petition

s page must be completed and filed in every case)

Name of Debtor(s):
Epicus, Inc.

Prior Bankruptcy Case Filed Within Last 6 Years (If more than one, attach additional sheet)

Case Number:

Date Filed:

NONE

tion
re Filed:

Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor (If more than one, attach additional sheet)

Case Number:

Date Filed:

ic of Debtor:

Epicus Communications Group, Inc.

simultaneously

Relationship:

Judge:

rict:

Southern

parent company

Signatures

Exhibit A

Signature(s) of Debtor(s) (Individual/Joint)
I declare under penalty of perjury that the information provided in this petition is true and correct.
If the petitioner is an individual whose debts are primarily consumer debts, I have chosen to file under chapter 7. I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.
I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)

☒ Exhibit A is attached and made a part of this petition.

Signature of Debtor

Signature of Joint Debtor

Telephone Number (if not represented by attorney)

Date

Signature of Attorney

X  Signature of Attorney for Debtor(s)ROBERT C. FURR, ESO. 210854
Printed Name of Attorney for Debtor(s)

Furr & Cohen, P.A.

Firm Name

One Boca Place, Suite 337W
Address

2255 Glades Road, Boca Raton, FL 33431

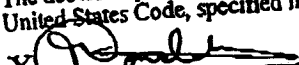
561-395-0500

Telephone Number

Date

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.
The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X  Signature of Authorized Individual

THOMAS DONALDSON

Printed Name of Authorized Individual

V. President

Title of Authorized Individual

Exhibit B

((To be completed if debtor is an individual whose debts are primarily consumer debts))

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.

X

Signature of Attorney for Debtor(s)

Date

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

☐ Yes, and Exhibit C is attached and made a part of this petition.
☒ No

Signature of Non-Attorney Petition Preparer

I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.

Printed Name of Bankruptcy Petition Preparer

Social Security Number (Required by 11 U.S.C. § 110(c))

Address

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

X

Signature of Bankruptcy Petition Preparer

Date

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.

Exhibit 4

**UCNSB/Sparks Letter Solicitation to
New Smyrna Beach Utility Customer,
dated Nov. 5, 2004**

11/5/2004

Utilities Commission
City of New Smyrna Beach, Florida
Electric, Water, Pollution Control
Water Reuse, Internet, and Telephone Service
Post Office Box 100 – 200 Canal St.
New Smyrna Beach, Florida 32170-0100
(386) 427-1361



[REDACTED]
NEW SMYRNA BEACH, FL 321686445

Dear [REDACTED],

The Utilities Commission, City of New Smyrna Beach has been proud to assist you by grouping your phone bills with your monthly utility bill. It has come to our attention that your current telephone carrier, Epicus, has filed for Chapter 11 Bankruptcy. As you may recall, you became an Epicus customer when you responded to a solicitation by the Utilities Commission, which until recently has had a cooperative relationship with Epicus. In light of Epicus' bankruptcy, that relationship has been terminated.

For this reason we would like to present you with an offer to switch your telephone services over to Sparks Communications, which is operated *directly* by the Utilities Commission. There will be no charge for the transfer, and your bill will continue to be conveniently added to your monthly utility statement. At Sparks Communications we understand the confusion that can sometimes be linked with telephone companies and for this reason we have forged our company around the goal to give all of our customers "unconditional love". Attached, you will find a letter of authorization, which is needed to transfer your service; simply select the appropriate package, sign, and mail back to us. We strive to make this switch as smooth as possible. If you should have any questions about this letter please feel free to call us at (386) 427-1361. If you cannot find the time to give us a call we will be contacting you in the next few weeks to assist with any questions that may arise. We hope this will help you avoid any inconvenience, and we look forward to providing you with excellent service in the near future.

Sincerely,



Sparky!

Exhibit 5

Telemarketing Script for Answering Machines/ Voicemail

Answering Machine / Voicemail script for current Epicus customers:

Good (Morning/Evening), This is (Rep Name) calling from Sparks Communications, a division of the Utilities Commission of New Smyrna Beach regarding your Epicus telephone service. We are attempting to contact all telephone customers to let you know that Epicus has declared bankruptcy, and to offer you a replacement telephone service operated directly by Sparks Communications a division of the Utilities Commission of New Smyrna Beach. Please call us back as soon as possible at 1 888 577 2759 . Thank you and have a nice day!

user ID: cc!

SPARKS

122

Exhibit 6

Telemarketing Script to Customers Previously Solicited by UCNSB for Epicus

Good morning (Ma'am/Sir), I am calling from Sparks Communications, a division of the Utilities Commission of New Smyrna Beach, can I speak to the person who pays for the telephone bill please?

Hello! We are calling you today to notify you that the Commission has ended its relationship with Epicus, which has provided your telephone service. Recently Epicus has filed for Chapter 11 Bankruptcy protection. [ADDITION FOR UTILITY CUSTOMERS: ,and Epicus has informed us that they will no longer allow us to include your telephone charges on your utility bill.] . In light of Epicus' bankruptcy [UC: and to continue to receive your phone and utility charges on one bill], we would like to invite you to switch to Sparks Communications, which is a direct operating division of the Utilities Commission of New Smyrna Beach. We have many packages and plans to choose from, [UC: and we will be more than happy to continue to bill you on your monthly Utility Bill].

FOR QUESTIONS ABOUT EPICUS BANKRUPTCY:

"Epicus is continuing to operate in bankruptcy. We have no information regarding their future plans, but we are inviting you to switch to Sparks..."

* * * * *

Okay (Ma'am/Sir) the name of the Utility Commission's telephone company is called **SPARKS COMMUNICATIONS**. You will get the same quality of service, and your telephone number

stays the same. The only difference is that from now on, you will receive your service from our company **SPARKS COMMUNICATIONS** at the price of \$_____ plus applicable taxes and surcharges.

So we'll get this set up right away for you. You're still at (address)?

* * * * *

OK great Sir/Ma'am, now just one last thing before I put you through to our verification department, you do understand that Sparks Communications is a division of the Utilities Commission and we have no affiliation with your current phone service provider Epicus?
(customer must answer yes)

And so you know, it takes 2 to 10 business days to convert your existing lines to SPARKS, but you will have no interruption.

Exhibit 7

Local New Smyrna Beach Newspaper “Open Letter” Advertisement

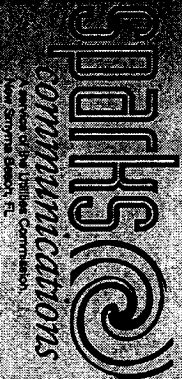
AN OPEN LETTER TO ERICUS CUSTOMERS WHO SIGNED UP THROUGH UCNSB

November 2004

The Utilities Commission, City of New Smyrna Beach has been proud to assist you by grouping your phone bills with your monthly utility bill. It has come to our attention that your current telephone carrier, Epicus, has filed for chapter 11 bankruptcy protection. As you may recall, you became an Epicus customer when you responded to a solicitation by the Utilities Commission, which formerly had a cooperative relationship with Epicus. Epicus will no longer enable us to include your telephone charges on your utility bill. If you wish to continue to receive your phone and utility charges on one bill, we have a solution for you.

We would like to present you with an offer to switch your telephone service over to Sparks Communications, which is operated directly by the Utilities Commission. There will be no charge for the transfer, and your bill will continue to be conveniently added to your monthly utility statement. At Sparks Communications, we understand the confusion that can sometimes be linked with telephone companies and for this reason, we have forged our company around the goal to give all of our customers "unconditional love" call us today to transfer service. We hope this information will help you avoid any inconvenience, and we look forward to providing you with excellent service in the near future.

Thank You,



427-1361 • www.gosparky.us

1-888-577-2759



Exhibit 8

**Detail Indicating UCNSB Telephone Solicitations
of Joann Hoggard, Rose Rinaldi and Trudy Miles
in July – October, 2003**

Joann Hoggard was contacted first on 7/2/2003

10175586	3003	3864281264	5202	9/17/2002	Global	9/16/2002	Joann Buczek	
10042606	06G	3864237443	133425	5628	11/15/2001	Global	11/5/2001	Joann Reams
10042606	06G	3864279195	133425	5628	11/15/2001	Global	11/5/2001	Joann Reams
10491172	S07	8033339513	RSVP	7/2/2003	Global	6/27/2003	Joann Rigell	
10511712	D20	4047999062	RSVP	7/2/2003	Global		Joann Anderson	
10687861	S26	8039390781		12/6/2003	Global		Joann Anderson	
10562055	S18	7046379702		8/27/2003	Global		Joann Andrews	
10348634	3004	7709875781	rsvp	4/1/2003	Global	4/10/2003	Joann Ardojn	
10557603	S22	8642509865	RSVP	8/22/2003	Global		Joann Benson	
10560630	S21	2056475865	RSVP	8/21/2003	Global		Joann Bishop	
10733590	S22	8037838766		1/13/2004	Global		Joann Blevins	
10493602	S09	8435591846	RSVP	7/2/2003			Joann Brown	
10733913	S13	4072919575		1/13/2004	Global		Joann Campbell	
10725135	S10	7705371942		1/12/2004	Global		Joann Capes	
10714675	S22	8037140362		12/22/2003	Global	12/23/2003	Joann Danley	
10569823	S18	2059237995	RSVP	9/2/2003	Global		Joann Davis	
10391066	S07	3864095278	138608	9511	5/1/2003	Global	5/1/2003	Joann Delamarter
10534484	S30	2059791181	RSVP	8/2/2003	Global		Joann Erwin	
10622493	S22	8645822616		10/22/2003	Global		Joann Fraley	
10478780	3004	4787410807	RSVP	6/25/2003			Joann Grier	
10617251	S17	8287589826		10/17/2003			Joann Gwyn	
10785145	S23	9129250247		2/23/2004			Joann Hill	
10785145	S23	9129251796		2/23/2004	Global		Joann Hill	
10490856	S07	8032221612	RSVP	7/2/2003	Global		Joann Hoggard	
10624605	3004	3055292892		10/22/2003	Global		Joann Johnson	
10513321	D19	3523748906	RSVP	7/12/2003	Global		Joann Johnson	
10799595	S08	9545872260		3/8/2004	Global		Joann Jordan	
10581012	S09	9045730906	RSVP	9/9/2003	Global	9/10/2003	Joann Kinney	
10584941	S25	3867369546		8/26/2003	Global		Joann M Black	
10584941	S25	3868602202	2630	8/26/2003	Global		Joann M Black	
10510261	S22	3863045898	5978	7/18/2003	Global		Joann Maurice	
10748245	S26	9105210866		1/26/2004	Global		Joann Maynor	
10597951	S27	2567737946		9/27/2003	Global		Joann Medendorp	
10469372	S25	3057436836	RSVP	6/23/2003	Global		Joann Moore	
10363563	3004	2568409553	rsvp	4/17/2003	Global	4/14/2003	Joann Oaks	
10714743	S22	3362821385		12/22/2003	Global	12/23/2003	Joann Peck	

Rose Rinaldi was contacted first on 10/6/2003

10646083	S21	8645839123 RSVP	8/4/2003	Rose Miller
10534585	S04	8642360915 RSVP	8/4/2003 Global	Rose P Thummond
10385571	S30	8646468997 rsvp	4/28/2003 Global	4/28/2003 Rose Petrucci
10385571	S30	8773052845 rsvp	4/28/2003 Global	4/28/2003 Rose Petrucci
10416615	S16	3863454353	5/15/2003 Global	5/12/2003 Rose Redding
10607542	S06	8432070442	10/6/2003 Global	Rose Rinaldi
10774301	S10	7704251022	2/10/2004 Global	Rose Russell
10767574	S02	9549702496	2/2/2004 Global	Rose Torres
10784732	S23	7709848083	2/23/2004 Global	Rose Uwarwezi
10758850	S02	8287280803	2/2/2004 Global	1/27/2004 Rose Walsh
10597150	S26	8036477931 RSVP	9/26/2003 Global	Rose Williams
10597150	S26	8436290736 RSVP	9/26/2003 Global	Rose Williams
10006055	99	3864236856	9/17/2001 Global	8/28/2001 Rose Wilkowski
10158734	06F	3864278388	8/13/2002 Global	8/12/2002 Roseanna G Dawson
10675716	S26	4045088114	11/26/2003 Global	Roseanna Jones
10294140	S22	3864231109	3/3/2003 Global	2/27/2003 Roseanne Kowalewski
10294140	S22	3864279986	3/3/2003 Global	2/27/2003 Roseanne Kowalewski
10822394	N05	4787884709	4/5/2004	Rosebud Jones
10300730	3004	3866778398	3/6/2003 Global	3/5/2003 Roselina Brown
10553092	S20	4078756852 RSVP	8/20/2003	Roselina Neal
10553092	S20	7045993690 RSVP	8/20/2003	Roselina Neal
10553092	S20	7049489969 RSVP	8/20/2003 Global	Roselina Neal
10702391	S18	4072909573	12/18/2003 Global	Roseline Joseph
10615032	S13	3052519677	10/13/2003 Global	Roselyn Ryles
10652792	S09	4782720618	11/10/2003 Global	Roselyn Simmons
10463770	3004	7706826030 RSVP	6/11/2003 Global	Roselynn Anderson
10199945	S31	3864271709	10/29/2002 Global	10/22/2002 Rosemarie Gordon
10249735	S17	3864261804	11/10/2003 Global	1/9/2003 Rosemarie Johnson
10176580	S11	3862529050	9/25/2002 Global	9/18/2002 Rosemarie Lacey
10040933	99	3864278583	11/1/2001 Global	10/29/2001 Rosemary Congden
10087024	S31C	3864268764	3/22/2002 Global	3/13/2002 Rosemary Bowman
10735136	S15	9548859967	1/15/2004 Global	Rosemary Bridges
10495753	S17	2054280497 RSVP	7/5/2003 Global	Rosemary Clark
10501441	S22	3867876766	7/15/2003	7/16/2003 Rosemary Coleman Interiors
10258500	S28	3864233282	1/23/2003 Global	1/21/2003 Rosemary Cucchero
10709931	S22	2284676538	12/22/2003 Global	Rosemary Elliott

Trudy Miles was contacted first on 10/3/2003

10089875	999	3864276445	135356	1234	3/27/2002	Global	3/21/2002	Trista Szurnigala
10599725	S29	8037315353			9/29/2003			Tron Daniels
10095565	S26	3864238020			4/22/2002	Global	3/28/2002	Tropical Air
10095565	S26	3864238161			4/22/2002	Global	3/28/2002	Tropical Air
10277391	D17	3864289586			2/13/2003	Global	2/11/2003	Tropical Marketing Associates LLC
10277391	D17	3.86429E+13			2/13/2003	Global	2/11/2003	Tropical Marketing Associates LLC
10277391	D17	3.86429E+13			2/13/2003	Global	2/11/2003	Tropical Marketing Associates LLC
10277391	D17	3864289587			2/13/2003	Global	2/11/2003	Tropical Marketing Associates LLC
10653745	S26	6016385202			11/12/2003	Global		Troshelia Renolds
10583795	S21	7067336234	RSVP		9/11/2003		9/8/2003	Troy Bell
10637826	S03	8032223145			11/5/2003	Global		Troy Christenbury
10213676	999	3864237594	137782	8104	12/3/2002	Global	11/19/2002	Troy Ellis
10797025	S12	7706310717			3/2/2004	Global		Troy Hall
10719943	S05	7066540857			1/5/2004	Global		Troy Lyle
10195320	99	3864236663	6195				10/15/2002	Troy McNiff
10310244	3003	3864095227	2506		3/12/2003	Global	3/12/2003	Troy Phoenix
10537645	S07	4072979236	RSVP		8/7/2003	Global	8/4/2003	Troy Praphanchith
10743001	S19	3862573648			1/19/2004	Global	1/16/2004	Troy Ramnath
10619470	S18	9102785036	rsvp		10/18/2003	Global		Troy Speights
10619470	S18	9104571717	rsvp		10/18/2003	Global		Troy Speights
10658245	S12	2708210594			11/14/2003	Global		Troy Sullivan
10624144	S22	3342818245			10/22/2003			Troy Warren
10641865	S08	6014468991			11/8/2003	Global		Troy Wheat
10292182	S04	7725893291	2883		2/27/2003	Global	2/25/2003	Troy Wilson
10031270	99	3864277145	127292	1234	10/15/2001	Global	9/25/2001	Trudi Hart
10358062	S11	8648964421	RSVP		4/15/2003	Global	4/11/2003	Trudy Case
10729446	S12	7043581869			1/12/2004	Global		Trudy Johnson
10604614	S03	8436878798			10/3/2003	Global		Trudy Miles
10642912	S10	3216345524			11/3/2003			Trudy Seip
10540174	S14	4045349526	RSVP		8/14/2003			Truman Crawford
10488336	D22	2053027257	RSVP		7/12/2003	Global		Truman Hudson
10563453	S22	2058339508			8/27/2003			Truman Martin
10655980	S12	4075787605			11/5/2003	Global		Tsongo Saulier
10406636	3003	8504380130	RSVP		5/8/2003	Global	5/5/2003	Tu Van Nguyen
10824102	N05	8037721366			4/5/2004			Tupee Williams
10085665	S14	3864242700			12/6/2002	Global	3/11/2002	Turano - Modem

Exhibit 9

Schedule E to Bankruptcy Petition of Epicus, Inc.

Epicus, Inc.

04-34916-BKC-PGH

In re _____
Debtor

Case No. _____
(If known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS (Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CREDITOR ORGANIZATION, TYPE, COURT JURISDICTION	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT UNLIQUIDATED DEBTS	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO. Alabama, State of North Ripley Street Montgomery, AL 36132		Consideration: excise-sales taxes		163.12	163.12
COUNT NO. Arizona, State of Dept of Revenue 10 W. Monroe Phoenix AZ 85007-2650		Consideration: excise-sales tax		0.11	0.11
COUNT NO. Arkansas, State of Dept of Finance Office of Intergovernmental Affairs Rock AR 72203		Consideration: excise-sales tax		52.47	52.47
COUNT NO. California, State of Dept of Equalization 1500 N. Street Sacramento, CA 94279		Consideration: excise - sales tax		19.67	19.67
COUNT NO. Colorado, State of Dept of Revenue Sherman Street Denver, CO 80261		Consideration: excise-sales tax		348.20	348.20

Page 1 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal > \$ 583.57
(Total of this page)
Total > \$

(Use only on last page of the completed Schedule E.)

(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

Case No.

(if known)

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CONTINGENT UNREQUATED DEBUTED	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO. Connecticut, State of pt of Revenue Sigourney Street Hartford CT 06106		Consideration: excise-sales tax	901.00	901.00
COUNT NO. Delaware, State of Division of Revenue Del State Office Bldg Dover DE 19801		Consideration: excise-sales tax	85.00	85.00
COUNT NO. Florida, State of Dept of Revenue Box 6668 Tallahassee, FL 32314		Consideration: FCC and TRS tax	1,028,318.35	1,028,318.35
COUNT NO. Florida, State of Dept of Revenue Box 6668 Tallahassee, FL 32314		Consideration: sales taxes	0.00	0.00
COUNT NO. Florida, State of Blountstown Hwy Tallahassee, FL 32304-2716		Consideration: excise-sales taxes	1,198,871.26	1,198,871.26

2 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal >> \$ 2,228,175.61
(Total of this page)
Total >> \$

(Use only on last page of the completed Schedule E.)

(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

In re _____
Debtor

Case No. _____
(If known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet) Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CREDITOR ORGANIZATION, FIRM, INDUSTRY OR GOVERNMENT	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO. _____ orgia, State of pt of Revenue 0 Century Blvd NE #8214 anta, GA 30345		Consideration: excise-sales tax				166,832.81	166,832.81
COUNT NO. _____ wall, State of t of Taxation 0, HI 96721 0833		Consideration: excise-sales tax				37.50	37.50
COUNT NO. _____ io, State of e Tax Commission e ID 83722-0410		Consideration: excise-sales tax				62.06	62.06
COUNT NO. _____ ola, State of of Revenue ard Ice Building yfield IL 62702		Consideration: excise - sales tax				100.00	100.00
COUNT NO. _____ na, State of of Revenue l. Senate Ave. napolis IN 46204		Consideration: excise-sales tax				30.00	30.00

a. 3 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal >
(Total of this page)
Total >
\$ 167,062.37
\$

(Use only on last page of the completed Schedule E.)
(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

Case No.

(If known)

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODE DEBTS, SECURED, UNSECURED	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
OUNT NO. mal Revenue Service Box 17167 P 5760 tion, FL 33318		Consideration: 720 taxes - 2003		X	257,381.74	257,381.74
OUNT NO. mal Revenue Service Box 17167 P 5760 tion, FL 33318		Consideration: 940			26,743.05	26,743.05
OUNT NO. nal Revenue Service Box 17167 P 5760 tion, FL 33318		Consideration: 941 Taxes - 12/31/01; 2002 and 2003			428,334.68	428,334.68
UNT NO. al Revenue Service Box 17167 5760 ion, FL 33318		Consideration: 720 excise taxes plus penalty and interest			2,849,470.00	2,849,470.00
UNT NO. Dept of Revenue oices IA 50306-0457		Consideration: excise-sales tax			0.00	0.00

4 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal 7
(Total of this page)

\$ 3,561,929.47

Total

\$

(Use only on last page of the completed Schedule E.)

(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

Case No. _____
(If known)

In re _____
Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CREDITOR REMARKS, DATE, JUDG CIRCUMSTANCES	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO. Miss, State of pt of Revenue S.W. Harrison St. eka KS 66625-5000		Consideration: excise-sales tax				287.23	287.23
COUNT NO. ucky, State of t of Revenue Fair Oaks Lane, 5th fl lkfort KY 40602-0491		Consideration: excise-sales tax				9,331.58	9,331.58
COUNT NO. issiana, State of L of Revenue n Rouge LA 70821		Consideration: excise-sales tax				38.89	38.89
COUNT NO. s, State of mas Services ste House Station sta ME 04333-0024		Consideration: excise-sales tax				171.09	171.09
COUNT NO. and, State of troller ne Administration Div. ore MD 21201		Consideration: excise-sales tax				527.20	527.20

5 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal >>
(Total of this page)
Total >
\$ 10,355.99
\$

(Use only on last page of the completed Schedule E.)
(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

Case No.

(If known)

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CODING SECTION, WITH PRIORITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO. Massachusetts Dept. of Revenue 1 Cambridge St. 7th Fl Boston MA 02114		Consideration: excise-sales tax				678.03	561.56
COUNT NO. Michigan Dept of Treasury Lansing MI 48922		Consideration: excise-sales tax				0.00	0.00
COUNT NO. Mississippi PSC 1000 Bldg No. West Street Jackson, MS 39201		Consideration: excise-sales taxes				382,764.00	382,764.00
COUNT NO. Missouri, State of Department of Revenue 1 W. Truman Blvd. #100 St. Louis MO 65109		Consideration: excise-sales tax				25.00	25.00
COUNT NO. Montana, State of Department of Revenue Excise Taxes Helena, MT 59604		Consideration: excise-sales tax				41.34	41.35

6 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal >
(Total of this page)
Total >

\$ 383,508.37

\$

(Use only on last page of the completed Schedule E.)

(Report total also on Summary of Schedules)

Epicus, Inc.
In re _____
Debtor

04-34916-BKC-PGH
Case No. _____
(If known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	COLLECTION METHOD, TYPE, JUDICIAL DISCRETION	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNPAID	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO. Iowa, State of Department of Revenue Box 94818 Des Moines NE 68509-4818		Consideration: excise-sales tax				6.07	6.07
COUNT NO. Nevada, State of Department of Taxation 100 E. College Pkwy #115 Las Vegas NV 89706		Consideration: excise-sales tax				100.00	100.00
COUNT NO. New Hampshire, State of Department of Revenue 1000 State Dr. Concord NH 03302-0457		Consideration: excise-sales tax				150.00	150.00
COUNT NO. New Jersey, State of Department of Taxation 1000 Bank St., 1st floor Newark NJ 07102		Consideration: excise-sales tax				550.00	550.00
COUNT NO. New Mexico, State of Department of Taxation & Revenue Box 630 Santa Fe NM 87504		Consideration: excise-sales tax				0.00	0.00

7 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal >> \$ 806.07
(Total of this page)
Total > \$

(Use only on last page of the completed Schedule E.)
(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

Case No. _____
(If known)

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CREDITORS REMARKS, WHEN PAID OR OTHERWISE	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT UNLIQUIDATED DEBTS	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO. New York Dept of Taxation & Finance Central Office Harriman State Office Bldg Albany NY 12227		Consideration: excise-sales tax		4,961.00	4,961.00
COUNT NO. North Carolina, State of N. Wilmington St. Raleigh NC 27604		Consideration: excise-sales tax		7,706.58	7,706.58
COUNT NO. South Dakota Taxation Dept Office of St Commissioner E Boulevard Ave Dept 127 Sioux Falls SD 58505		Consideration: excise-sales tax		0.00	0.00
COUNT NO. Ohio, State of Sales & Use Tax E Broad St, 20th Floor Columbus OH 43215		Consideration: excise-sales tax		260.00	260.00
COUNT NO. Oklahoma Tax Commission Box 26850 Oklahoma City, OK 73126		Consideration: excise-sales tax		0.00	0.00

Page 5 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal >> \$ 12,927.58
(Total of this page)
Total >> \$

(Use only on last page of the completed Schedule E.)
(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

Case No.

(If known)

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CONTINGENT UNLIQUIDATED DEBTS	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
OUNT NO. gon, State of k of Revenue Center Street NE m OR 97301		Consideration: excise-sales tax	1,026.75	1,026.75
OUNT NO. n Beach County Tax Collector North Olive Avenue Floor t Palm Beach, FL 33401			0.00	0.00
OUNT NO. sylvania, State of an of Corporation Taxes 280427 isburg PA 17128-0427		Consideration: excise-sales tax	176.43	176.43
OUNT NO. e Island, State of Capitol Hill denoe RI 2908		Consideration: excise - sales tax	175.00	175.00
OUNT NO. Carolina, State of f Revenue h Park Cir. #202 ston SC 29407		Consideration: excise-sales tax	188,933.88	188,833.88

9 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal 7>
(Total of this page)
Total >

\$ 190,312.06
\$

(Use only on last page of the completed Schedule E.)

(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

In re _____
Debtor

Case No. _____
(If known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet) Taxes & Debts to Governments

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)		DEBTS, TAXES, GOVT OBLIGATIONS	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO.			Consideration: excise-sales tax				280.00	280.00
North Dakota, State of Dept of Revenue East Capitol Ave. Bismarck SD 58501-3185								
COUNT NO.			Consideration: excise-sales tax				Notice Only	Notice Only
State of California Board of Equalization 1000 Power Inn Rd. #210 Sacramento CA 95826								
COUNT NO.			Consideration: excise-sales tax				0.00	0.00
Tennessee Dept of Revenue New Jackson Bldg Room 1200 Nashville TN 37242-1099								
COUNT NO.			Consideration: excise-sales tax				7,921.43	7,921.43
State of Texas Comptroller of Public Accounts 1700 North Street Austin TX 78774								
COUNT NO.			Consideration: excise-sales tax				17.43	17.43
Utah Tax Comm. 1950 West Salt Lake City, UT 84134								
Subtotal > (Total of this page) Total >							\$ 8,218.86	\$
(Use only on last page of the completed Schedule E.)								

10 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

(Report total also on Summary of Schedules)

Epicus, Inc.
In re _____
Debtor

04-34916-BKC-PGH
Case No. _____
(If known)

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CREDITOR REMARKS, WITH COURT DOCUMENTS	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	TYPE OF PRIORITY			AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
			CONTINGENT	UNLIQUIDATED	DISPUTED		
COUNT NO. _____ Vermont, State of pt of Taxes State Street, 3rd Floor mpelier VT 05609-1401		Consideration: excise-sales tax				502.55	502.55
COUNT NO. _____ Virginia, State of t of Taxation Box 1115 mond VA 23218-1115		Consideration: excise-sales tax				100.00	100.00
COUNT NO. _____ ington State Dept Revenue & Use Tax ox 47478 pia WA 98504-7478		Consideration: excise-sales tax				72.26	72.26
COUNT NO. _____ Virginia State Treasurer Kanawha Blvd Fl, Room E-145 ston WV 25305		Consideration: excise-sales tax				601.60	601.60
COUNT NO. _____ isin Dept of Revenue imrock Rd. WI 53713		Consideration: excise-sales tax				0.00	0.00

11 of 12 Continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal > \$ 1,276.41
(Total of this page)
Total > \$

(Use only on last page of the completed Schedule E.)

(Report total also on Summary of Schedules)

Epicus, Inc.

04-34916-BKC-PGH

Case No.

(If known)

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

Taxes & Debts to Governments

TYPE OF PRIORITY

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	CREDITOR INDICATE, WITH "JOINT" OR "SEPARATE" CREDITORS	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT UNLIQUIDATED DEBTS	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY
COUNT NO.		Consideration: excise-sales tax			
oming, State of pt of Revenue schler Blvd., 2nd Floor W eyenne WY 82002-0110				50.04	50.04
COUNT NO.					
COUNT NO.					
COUNT NO.					
COUNT NO.					
COUNT NO.					

o. 12 of 12 continuation sheets attached to Schedule of Creditors
Priority Claims

Subtotal >
(Total of this page) \$ 50.04
Total >
\$ 6,565,206.40

(Use only on last page of the completed Schedule E.)

(Amount total when all Schedules of Creditors are completed)

Exhibit 10

Consumer Affidavits Relating to Epicus “PIC Freezes,” and FCC Rule Restricting Such Freezes

STATE OF FLORIDA

COUNTY OF VOLUSIA

ss: 261-45-7449

AFFIDAVIT

I, Charlotte A. Smith, hereby depose and state:

1. I reside at 802 E. 7th Street, NSB.

2. I have, until recently, been a customer of Epicus Inc. for my local and/or long distance telephone services. Within the past several weeks, I decided to switch my telecommunications service provider to Sparks Communications. However, I learned that a "PIC freeze" had been placed on my telephone number by Epicus, which prevented the transfer of my service to Sparks. Epicus advised me that it "routinely" places a PIC freeze on its customers' lines, and that there would be a \$4.95 fee if I wished to remove this PIC freeze.

3. I never requested or authorized the placement of a PIC freeze on my line by Epicus, and at no time did Epicus ever advise me that such a PIC freeze would be implemented, or that any charge would be associated with this freeze.

Charlotte A. Smith
Signature

Charlotte A. Smith
Printed Name

Sworn and subscribed to before me this 2nd day of Dec., 2004.



Marie Given
My Commission DD216645
Expires May 28, 2007

Marie Given
Notary Public

My Commission expires on: 5/28/07

STATE OF FLORIDA

COUNTY OF VOLUSIA

SS:

AFFIDAVIT

I, Alma Rushing, hereby depose and state:

1. I reside at 172 W. Brooks Cir Oak Hill Fl 32759.

2. I have, until recently, been a customer of Epicus Inc. for my local and/or long distance telephone services. Within the past several weeks, I decided to switch my telecommunications service provider to Sparks Communications. However, I learned that a "PIC freeze" had been placed on my telephone number by Epicus, which prevented the transfer of my service to Sparks. Epicus advised me that it "routinely" places a PIC freeze on its customers' lines, and that there would be a \$4.95 fee if I wished to remove this PIC freeze.

3. I never requested or authorized the placement of a PIC freeze on my line by Epicus, and at no time did Epicus ever advise me that such a PIC freeze would be implemented, or that any charge would be associated with this freeze.

Alma L Rushing
Signature

Alma L Rushing
Printed Name

Sworn and subscribed to before me this 2nd day of Dec., 2004.



Marie Given
My Commission DD216645
Expires May 28, 2007

Marie Given
Notary Public

My Commission expires on: 5/28/07

STATE OF FLORIDA

COUNTY OF VOLUSIA

ss: 352-46-2209

AFFIDAVIT

I, Benjamin Ling, hereby depose and state:

1. I reside at 2513 Glenwood Dr.

2. I have, until recently, been a customer of Epicus Inc. for my local and/or long distance telephone services. Within the past several weeks, I decided to switch my telecommunications service provider to Sparks Communications. However, I learned that a "PIC freeze" had been placed on my telephone number by Epicus, which prevented the transfer of my service to Sparks. Epicus advised me that it "routinely" places a PIC freeze on its customers' lines, and that there would be a \$4.95 fee if I wished to remove this PIC freeze.

3. I never requested or authorized the placement of a PIC freeze on my line by Epicus, and at no time did Epicus ever advise me that such a PIC freeze would be implemented, or that any charge would be associated with this freeze.

Benjamin Ling
Signature
Benjamin Ling
Printed Name

Sworn and subscribed to before me this 1st day of December, 2004.

Pamela J. Lloyd
Notary Public
State of Florida

My Commission expires on: July 4, 2007



Pamela J. Lloyd
My Commission DD224883
Expires July 04, 2007

§ 64.1190 Preferred carrier freezes.

(a) A preferred carrier freeze (or freeze) prevents a change in a subscriber's preferred carrier selection unless the subscriber gives the carrier from whom the freeze was requested his or her express consent. All local exchange carriers who offer preferred carrier freezes must comply with the provisions of this section.

(b) All local exchange carriers who offer preferred carrier freezes shall offer freezes on a nondiscriminatory basis to all subscribers, regardless of the subscriber's carrier selections.

(c) Preferred carrier freeze procedures, including any solicitation, must clearly distinguish among telecommunications services (e.g., local exchange, intraLATA/intrastate toll, interLATA/interstate toll, and international toll) subject to a preferred carrier freeze. The carrier offering the freeze must obtain separate authorization for each service for which a preferred carrier freeze is requested.

(d) *Solicitation and imposition of preferred carrier freezes.*

(i) All carrier-provided solicitation and other materials regarding preferred carrier freezes must include:

(i) An explanation, in clear and neutral language, of what a preferred carrier freeze is and what services may be subject to a freeze;

(ii) A description of the specific procedures necessary to lift a preferred carrier freeze; an explanation that these steps are in addition to the Commission's verification rules in §§ 64.1120 and 64.1130 for changing a subscriber's preferred carrier selections; and an explanation that the subscriber will be unable to make a change in carrier selection unless he or she lifts the freeze.

(iii) An explanation of any charges associated with the preferred carrier freeze.

(2) No local exchange carrier shall implement a preferred carrier freeze unless the subscriber's request to impose a freeze has first been confirmed in accordance with one of the following procedures:

(i) The local exchange carrier has obtained the subscriber's written or electronically signed authorization in a form that meets the requirements of § 64.1190(d)(3); or

(ii) The local exchange carrier has obtained the subscriber's electronic authorization, placed from the telephone number(s) on which the preferred carrier freeze is to be imposed, to impose a preferred carrier freeze. The electronic authorization should confirm appropriate verification data (e.g., the subscriber's date of birth or social security number) and the information required in §§ 64.1190(d)(3)(ii)(A) through (D). Telecommunications carriers electing to confirm preferred carrier freeze orders electronically shall establish one or more toll-free telephone numbers exclusively for that purpose. Calls to the number(s) will connect a subscriber to a voice response unit, or similar mechanism that records the required information regarding the preferred carrier freeze request, including automatically recording the originating automatic numbering identification; or

(iii) An appropriately qualified independent third party has obtained the subscriber's oral authorization to submit the preferred carrier freeze and confirmed the appropriate verification data (e.g., the subscriber's date of birth or social security number) and the information required in §§ 64.1190(d)(3)(ii)(A) through (D). The independent third party must not be owned, managed, or directly controlled by the carrier or the carrier's marketing agent; must not have any financial incentive to confirm preferred carrier freeze requests for the carrier or the carrier's marketing agent; and must operate in a location physically separate from the carrier or the carrier's marketing agent. The content of the verification must include clear and conspicuous confirmation that the subscriber has authorized a preferred carrier freeze.

(3) *Written authorization to impose a preferred carrier freeze.* A local exchange carrier may accept a subscriber's written and signed authorization to impose a freeze on his or her preferred carrier selection. Written authorization that does not conform with this section is invalid and may not be used to impose a preferred carrier freeze.

(i) The written authorization shall comply with §§ 64.1130(b), (c), and (h) of

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the Commission's rules concerning the form and content for letters of agency.

(ii) At a minimum, the written authorization must be printed with a readable type of sufficient size to be clearly legible and must contain clear and unambiguous language that confirms:

(A) The subscriber's billing name and address and the telephone number(s) to be covered by the preferred carrier freeze;

(B) The decision to place a preferred carrier freeze on the telephone number(s) and particular service(s). To the extent that a jurisdiction allows the imposition of preferred carrier freezes on additional preferred carrier selections (e.g., for local exchange, intraLATA/intrastate toll, interLATA/interstate toll service, and international toll), the authorization must contain separate statements regarding the particular selections to be frozen;

(C) That the subscriber understands that she or he will be unable to make a change in carrier selection unless she or he lifts the preferred carrier freeze; and

(D) That the subscriber understands that any preferred carrier freeze may involve a charge to the subscriber.

(e) *Procedures for lifting preferred carrier freezes.* All local exchange carriers who offer preferred carrier freezes must, at a minimum, offer subscribers the following procedures for lifting a preferred carrier freeze:

(1) A local exchange carrier administering a preferred carrier freeze must accept a subscriber's written or electronically signed authorization stating his or her intent to lift a preferred carrier freeze; and

(2) A local exchange carrier administering a preferred carrier freeze must accept a subscriber's oral authorization stating her or his intent to lift a preferred carrier freeze and must offer a mechanism that allows a submitting carrier to conduct a three-way conference call with the carrier administering the freeze and the subscriber in order to lift a freeze. When engaged in oral authorization to lift a preferred carrier freeze, the carrier administering the freeze shall confirm appropriate verification data (e.g., the subscriber's date of birth or social security

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number) and the subscriber's intent to lift the particular freeze.

[64 FR 7762, Feb. 16, 1999, as amended at 66 FR 12893, Mar. 1, 2001]

§64.1195 Registration requirement.

(a) *Applicability.* A telecommunications carrier that will provide interstate telecommunications service shall file the registration information described in paragraph (b) of this section in accordance with the procedures described in paragraphs (c) and (g) of this section. Any telecommunications carrier already providing interstate telecommunications service on the effective date of these rules shall submit the relevant portion of its FCC Form 499-A in accordance with paragraphs (b) and (c) of this section.

(b) *Information required for purposes of part 64.* A telecommunications carrier that is subject to the registration requirement pursuant to paragraph (a) of this section shall provide the following information:

(1) The carrier's business name(s) and primary address;

(2) The names and business addresses of the carrier's chief executive officer, chairman, and president, or, in the event that a company does not have such executives, three similarly senior-level officials of the company;

(3) The carrier's regulatory contact and/or designated agent;

(4) All names that the carrier has used in the past; and

(5) The state(s) in which the carrier provides telecommunications service.

(c) *Submission of registration.* A carrier that is subject to the registration requirement pursuant to paragraph (a) of this section shall submit the information described in paragraph (b) of this section in accordance with the Instructions to FCC Form 499-A. FCC Form 499-A must be submitted under oath and penalty of perjury.

(d) *Rejection of registration.* The Commission may reject or suspend a carrier's registration for any of the reasons identified in paragraphs (e) or (f) of this section.

(e) *Revocation or suspension of operating authority.* After notice and opportunity to respond, the Commission may revoke or suspend the authorization of a carrier to provide service if

CERTIFICATE OF SERVICE

I, Jennifer Brand, hereby certify that a copy of the foregoing "Answer of Respondent Utilities Commission, City of New Smyrna Beach d/b/a Sparks Communications" was served by first class United States Mail, postage prepaid, this 11th day of January, 2005, upon:

Ms. Barbara Greene
Regulatory Manager
Epicus, Inc.
610 Crescent Executive Court
Suite 300
Lake Mary, FL 32746

and that five copies, and one electronic copy, of said Answer were served on the Office of Regulatory Staff:

State of South Carolina
Office of Regulatory Staff
1441 Main Street
Suite 300
Columbia, SC 29201

cclary@regstaff.sc.gov


Jennifer Brand

2005 JAN 12 AM 10:28
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